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STATE FOR EAP/RSP/TC, STATE PASS USTR FOR DEPUTY USTR  
BHATIA FROM DIRECTOR YOUNG

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SUBJECT: TAIWAN TIFA: SESSION 5: AGRICULTURE

REF: TAIPEI 1727

Classified By: AIT Deputy Director David J. Keegan, Reason 1.4 b

¶1. (C) Summary. In TIFA discussions between AIT and TECRO, Taiwan agreed to discuss the establishment of a Consultative Committee on Agriculture, to continue work on several technical issues, and to rapidly conclude negotiations to establish a rice CSQ. End summary.

¶2. (C) The Fifth U.S. - Taiwan TIFA meetings led by Deputy U.S. Trade Representative (DUSTR) Ambassador Karan Bhatia took place in Taipei on May 25 and 26, 2006. This cable reports on session 5, which covered Agricultural Trade and Market Access. The principle Taiwan participants this session were Francis Liang from TECRO, Chih-peng Huang from BOFT, and Tzu-Bin Huang from COA. The principle representatives from the United States were Eric Altbach of USTR, Roger Mireles of USDA, and Francis Ruzicka from AIT Washington.

¶3. (C) Most of the conclusions reached during this session were based on detailed discussions by the delegations on May 24, 2006. Over the course of both meetings: AIT and TECRO agreed to hold discussions to establish a bilateral Consultative Committee on Agriculture (CCA) that will address agricultural trade and policy issues. BAPHIQ (Taiwan's Bureau of Animal Plant Health, Inspection and Quarantine) agreed to review BSE-related bans on non-ruminant products. AIT and TECRO committed to improve cooperation on resolving SPS issues and to adhere to the WTO SPS agreement and OIE (World Animal Health Organization) guidelines in the development of import requirements. The U.S. welcomed that the Taiwan Department of Health conditionally lifted the ban on import of U.S. beef on January 25, 2006. The U.S. committed that it will continue to provide information on BSE monitoring measures and related issues. AIT recognized the importance of TECRO's market access request for pomello and longan and will facilitate the approval process. The U.S. also welcomed Taiwan's progress in reaching consensus on its Country Specific Quota (CSQ) regime and supports the WTO granting legal status to the new CSQ system as soon as possible.

¶4. (C) Tzu-Bin Huang said that the Minister of the Council of Agriculture (COA) supports establishing a CCA, but that COA needs to consult with other ministries before agreeing to establish a CCA. The Taiwan delegation inquired about the level and extent of participants in a CCA. The U.S. replied that it was open to many different possibilities. The U.S. also emphasized that the CCA would not replace the annual technical talks on sanitary and phytosanitary (SPS) issues. Taiwan committed to respond to the draft proposal for a CCA presented by AIT.

15. (C) The two sides reviewed the rice CSQ negotiations and agreed that they are near conclusion. The U.S. has received draft head-note and side letter language from Taiwan and these are currently being reviewed by USTR and USDA. The U.S. and Taiwan are in agreement on the WTO notification procedure. The CSQ language needs to be submitted to the WTO, preferably by June 15th to avoid complications due to the need to contract for grain and Vietnam's probable WTO accession. In a meeting on May 24, 2006, the U.S. rice industry was informed of the importance of quickly reaching a decision on the two remaining substantive issues. U.S. industry has apparently backtracked on the number of tons of a CSQ it is willing to give in order to bring Egypt up to a more defensible level, and it wants to limit future increases in the proportion of the quota allocated to the private sector tendering process.

16. (U) USTR cleared this cable.  
YOUNG